



**Testimony of Kevin N. Knight**

**Before the**

**Subcommittee on Aviation**

**Committee on Transportation and Infrastructure**

**U.S. House of Representatives**

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Chairman Mica, Ranking Member DeFazio, Mr. Lipinski, and other distinguished Members of this Subcommittee, I am Kevin Knight, Vice President, Resource Planning for United Airlines. I appreciate the opportunity to appear at today's hearing and share United Airlines' views on congestion and operational delays at Chicago O'Hare International Airport.

Though the airline industry continues to struggle, demand for air travel in the United States has returned to pre- 9/11 levels and is likely to continue growing. Unfortunately, along with increased demand and record load factors registered by many airlines, comes increased congestion and the inability of certain airports to accommodate the increasing demand for air services. We must recognize that there is a growing congestion problem at certain airports, and that O'Hare's congestion problem is among the most serious, if not the most serious.

Solving the congestion problem at these airports will not be easy. Before turning to a discussion of O'Hare, I would like to make two general observations that, from United's perspective, should guide efforts to solve the congestion problem.

First, the only responsible and effective way to address the congestion problem is to expand the nation's transportation system -- both in terms of an expanded and modernized ATC system and in terms of the ability of airports to accommodate increased operations. Continued long-term growth in the demand for air travel is an inevitable, and indeed desirable, consequence of a growing and vibrant economy. Such growth must be encouraged and accommodated, not artificially restricted. Governments at all levels must urgently take the necessary steps to provide essential infrastructure so that the industry can continue to provide the services sought by the traveling and shipping public. In the long term, it is simply unacceptable to limit passenger service in order to control congestion and reduce flight delays.

And second, as we urge governments to act responsibly to expand airport and airspace capacity to accommodate the nation's existing and growing need for air travel, we must also acknowledge the need to address current congestion problems at certain airports where expansion of capacity will necessarily take some time. For these circumstances, a temporary approach is needed. However, even on a temporary basis, the government must be extraordinarily cautious in implementing any sort of "demand management" approach. In a deregulated environment, such measures should only be implemented as a last resort and the government's involvement must be narrowly tailored. The government's actions must not be any more intrusive than absolutely necessary to reduce congestion in the short term. The government should not, indeed cannot, address the congestion problem in such a way as to favor one competitor or category of competitors over another.

With respect to O'Hare, I know that Members of this Subcommittee are acutely aware of the airport's significant congestion problem.

O'Hare serves an important and essential role within our national aviation system. It is a major network hub for two of the largest domestic carriers, United and American, and it serves the country's third most populous metropolitan area. In 2003, O'Hare was the busiest airport in the world in terms of aircraft arrivals and departures and ranked second in the U.S. in terms of the total number of enplaned passengers. And in the first seven months of 2004, the total airport operations at O'Hare increased approximately 8.7 percent over the same period in 2003.

In other words, O'Hare has returned to pre-9/11 levels. This is a very positive development and a sign that our economy is rebounding and demand for air travel is strong. But, unfortunately, along with increased demand has come congestion and operating delays during peak travel times.

This is a serious concern for United. O'Hare is critical to United Airlines. It is our largest hub and Chicago is our hometown. O'Hare is critical to United's long-term economic well-being. As such, it is imperative that the congestion problem at O'Hare be addressed quickly, effectively, and consistent with the points I discussed previously.

That is why United fully supports the ongoing effort to expand the airport's capacity through the O'Hare Modernization Plan. We must move forward with that plan to modernize and expand

O'Hare's air side capacity as quickly as possible. It is the most responsible and most effective way to solve O'Hare's congestion problem and meet the needs of Chicago's air travelers.

As a first step toward increasing capacity in the short run, the FAA should move forward expeditiously to implement fully Intersecting Runway Operations at O'Hare. The first phase of implementation has proven to be successful and United is anxious to move on to the next phase. This would increase the airport's ability to accept a higher number of arrivals per hour without increasing delays or compromising safety.

Other steps the FAA should take immediately to improve O'Hare's operating performance include:

- (1) utilizing existing and creating additional RNAV approach and departure procedures;
- (2) introducing idle descent procedures whenever conditions permit;
- (3) excluding O'Hare departures from "miles-in-trail" procedures and adding appropriate traffic initiatives to reduce taxi-out delays;
- (4) implementing the Chicago-area airspace changes identified in the RTCA FAA/Industry Midwest Airspace Working group (including airspace changes in the Cleveland Center area to achieve more efficient O'Hare arrival flows);
- (5) adding a minimum of 2 new eastbound departure routes, which should effectively double the number of available routes;
- (6) increasing the number of Southbound departure tracks from three to five and modifying departure procedures to improve traffic flow; and

(7) installing no later than 2005, Multilateration (ASDE-X) radar to cover the entire airfield, including movement and non-movement areas.

Longer term, United strongly favors expediting the timetable for moving forward with the O'Hare runway expansion program to the maximum extent feasible.

Meanwhile, United acknowledges that expanding capacity at O'Hare will take time, even under the best of circumstances. We acknowledge that a temporary approach to addressing the congestion problem at O'Hare is necessary during this interim period.

Indeed, in an effort to ensure that our customers enjoy safe, reliable, on-time service, we have been working with the FAA to manage the problem and have already taken significant steps to adjust our schedule in response to those concerns.

In February of 2004, we flattened our operations at O'Hare, both by shifting some flights from peak to off-peak operating hours and by reducing the number of flights scheduled in any half-hour period. As a result, the number of times during the day when the rate of scheduled arrivals exceeded the airport's operating capability was significantly reduced.

In March, United agreed to reduce its planned peak period operations by an additional 5%.

In June, United agreed to another 2.5% voluntary reduction in planned peak period operations.

In total, the three schedule changes United made in February, March, and June resulted in the retiming of hundreds of daily flights, and the schedule reductions United made in March and June reduced the number of flights operated in peak travel periods by a total of 52 daily flights, a greater number of schedule reductions than any other carrier operating at O'Hare.

Unfortunately, these changes did not achieve the desired level of delay reductions. As we reduce service other carriers instituted new service, looking to gain a competitive advantage from United's (and American's) actions. Such gamesmanship by other carriers is a serious concern, as their actions directly undermined the intended beneficial impact of the sacrifices we made.

Notwithstanding these inappropriate actions by other carriers, United agreed in mid-August to the following additional reductions, which are over and above the reductions we agreed to earlier this year:

- Effective November 2004 through April 2005, United will reduce its flight schedule at O'Hare by approximately 6 percent, or 20 arrivals, during the peak hours between 12:00 pm and 7:59 pm.

In looking forward, we want to reemphasize our concern that service reductions not be viewed as an acceptable long-term solution to O'Hare's capacity problems. O'Hare is a vital link in the nation's air transport system. The public interest, including travelers' demands for flexibility, will not be served by limiting service at O'Hare, or by restricting carriers' ability to add to or revise their O'Hare schedules to respond to changes in the public's demand for service. United

fully supports the ongoing effort to expand O'Hare's capacity through the O'Hare Modernization Plan, and we agreed to the current voluntary reductions on the clear understanding that the FAA and other parties remain fully committed to moving forward with that plan to modernize and expand O'Hare's airside capacity as quickly as possible.

It must be emphasized that operating changes to restrictions at O'Hare have a greater impact on United than on any other carrier because O'Hare is the backbone of United's global network. Our operations there are key to the company's competitive position and our overall economic performance.

The same cannot be said of the carriers that elected to add service at O'Hare after United announced its schedule reductions and adjustments. Not only did these competitors undermine United's efforts to reduce peak period flight delays at O'Hare by adding flights, but do not face similar capacity restrictions at their hubs. Unlike United at O'Hare, they can freely add service from their hubs in response to the increased demand for air travel.

Despite these concerns, we have and intend to continue working with the FAA -- searching for ways to achieve the balance between scheduled operations and runway capacity that would reduce delays to more acceptable levels pending full implementation of the Modernization Plan.

But should the agreement need to be modified or extended beyond April 30, 2005, we believe there are still existing issues of equity and fairness that need to be addressed. Moreover, we



want to be clear that any attempts to manage delays by mandatory service reductions must satisfy three guiding principles: proportionality, nondiscrimination and flexibility.

- The proportionality principle is one of fundamental fairness. The FAA must ensure that the impact of any schedule reduction scheme or cap on the number of flight arrivals during peak hours impacts carriers in a proportionate way. Any other outcome would be fundamentally unfair.
- The second principle is nondiscrimination. Any FAA decision must not afford any carrier, including new entrants, limited incumbents or foreign carriers, favorable treatment.
- The final principle is flexibility. If the FAA requires carriers to reduce their schedules or imposes a cap on the number of arrivals during peak hours, it should not otherwise restrict carriers' ability to change or modify their schedules on condition that such changes would not result in a breach of any FAA-imposed cap.

In conclusion, Mr. Chairman, let me again thank you, Mr. Lipinski and other Members of the Subcommittee for holding this important hearing on the congestion problem at O'Hare. Working with the FAA, United has worked hard to address the delay problems at O'Hare. We strongly believe that the best long-term solution is the O'Hare Modernization Plan. We remain committed to working with the FAA on fair and effective solutions in the interim.